

**FISCAL NOTE**  
**HB 46 - SB 50**  
**FIRST EXTRAORDINARY SESSION**

April 12, 1999

**SUMMARY OF BILL:** Authorizes the Commissioner of Commerce and Insurance to create an assigned risk pool for applicants for health insurance.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$85,400 Recurring**  
**\$9,300 One-Time**

**Decrease State Expenditures - \$2,197,800/TennCare**

**Decrease State Revenues - Exceeds \$100,000**

**Other Fiscal Impact - Decrease Federal Expenditures - \$3,742,200/TennCare**

Assumes:

- the need for two additional positions and related expenses to administer the provisions of this bill.
- a decrease in TennCare expenditures because an estimated 3,300 persons each year would enter the risk pool rather than become uninsurables on TennCare. There would also be a decrease in premiums collected from this group. Currently the number of TennCare uninsurables is increasing by about 10,000 per year.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director